has a Watch Manufacturing Unit at Ranibagh, Uttaranchal, manufacturing Mechanical Hand Wound Watches.

(c) and (d) No, Sir. The performance of the Unit since inception in 1985 upto 31.03.2005 is as below:—

Production	Rs. 604 crores
Sales	Rs. 570 crores
Loss	Rs. 379 crores

Due to declining demand of mechanical watches the company could not sustain generation of internal resources and became sick and has not been able to pay Salary/Wages of its employes. Government **has** asked HMT watches Ltd. to prepare a viable and sustainable restructuring plan.

Strengthening of Panchayati Raj Institutions

1469. DR. GYAN PRAKASH PILANIA: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) the status of Panchayati Raj Institutions, State-wise and the steps being taken to strengthen such institutions;

(b) whether any steps have been or are being taken to determine the functional areas of the different tiers of local bodies in order to strengthen the Panchayati Raj Institutions;

(c) whether any steps have been or are being taken to provide them the staff and budget under Government to the Panchayati Raj Institutions; and

(d) if so, the details of such steps taken as on date, State-wise?

THE MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): (a) to (d) All States to which the Constitution 73rd Amendment Act 1992 applies, except Jharkhand and Pondicherry, have held elections and constituted Panchayats in accordance with the provisions of Part IX of the Constitution. However, as the Constitution provides that it is legislatures of States that will endow the Panchayati Raj Institutions with powers and authority, States have devolved powers and responsibilities to the Panchayats in varying measure.

To provide an impetus to the implementation of Part IX of the Constitution in letter and spirit, by States, the Ministry of Panchayati Raj

convened seven Round Tables of States Ministers in charge of Panchayati Raj between July and December, 2004.and evolved, by consensus, a set of around 150 points for action, which have been put together in a compendium that was adopted unanimously at the conclusion of the last Round Table in Jaipur. The joint programme of action seeks to ensure that on the basis of Activity Mapping, Panchayats at various levels are devolved with funds, functions and functionaries to enable them to emerge as institutions of self-government.

A Council of State Ministers of Panchayati Raj under the Chairmanship of the Union Minister for Panchayati Raj has been constituted to review the implementation of the recommendations. The first meeting of the Council was held on 5th-6th August, 2005 at Kochi, Kerala. The progress in devolution of functions was reviewed and it was noted that while in some States, the preliminary work has been completed in terms of the assignment of functions to the three levels of Panchayats, in several more, the matter is pending at the finalization stage. A copy of Joint Statement of conclusions arrived at the meeting is at Statement (See *below).* A Committee of Chief Secretaries of States and State Panchayati Raj Secretaries has also been constituted under the Chairmanship of the Secretary, Ministry of Panchayati Raj to monitor the progress on the implementation of the 150 recommendations of the Seven Round Tables and the decisions of the Council of States Ministers of Panchayati Raj. Four review meetings of the Committee have so far been held in April, 2005, June, 2005, September, 2005 and November 2005.

With a view to interacting with Panchayats and carrying out a review with the authorities concerned of the progress in implementing the points for action mutually agreed upon in the Round Tables, a process of visiting the States and UTs at the level of Union Minister for Panchayati Raj has been initiated. Eight States have been covered so far, including Karnataka, West Bengal, Uttaranchal, Haryana, Chhattisgarh, Orissa, Arunachal Pradesh and Rajasthan. Andhra Pradesh is next on the list. Each visit is concluded with a Statement of Conclusions jointly signed with the Chief Minister of the State concerned, highlighting the key points of action on which the State would move to operationalise the recommendations of the Round Tables.

Statement

Copy of the Joint statement of Conclusions arrived at the first meeting of the Council of State Ministers of Panchayati Raj held at Kochi on 5 and 6 August, 2005.

In order to operationlise the provisions of Article 243 G of the Constitution, which provides for devolution to empower Panchayati Raj Institutions (PRIs) to function as institutions of self-government for making plans and implementing programmes for economic development and social justice and first Round Table of State Ministers of Panchayati Raj held at Kolkata in July 2004 resolved as follows, under the heading, *"Effective Devolution of Functions"*.

> *"the essential step is the identification of activities related to the devolved functions with a view to attributing each of these activities to the appropriate tier of the 3-tier system,"* (Item III),
>
> *"On the basis of the identification of activities relating to devolved functions, and through the application of the principle of the subsidiarity, States/UTs may review/undertake time bound activity mapping with a view to completing this exercise within the fiscaR year 2004-05;"* (Item V),
>
> *"With a view to promoting a measure of irrevocability of devolved functions, devolution may be routed through legislative measures or alternatively, by providing a strong legislative framework for devolution through executive orders."* (Item VIII)

The First Meeting of the Council of State Ministers of Panchayati Raj reviewed the progress in this direction and noted that while in some States, the preliminary work has been completed in terms of the assignment of functions to the three levels of Pachayats, in several more, the matter is pending at the finalization stage.

However in most States, there is a need to take several more substantive steps in the direction of reforms for strengthening Panchayats in the true letter and spirit of the Constitution. To this end, State Ministers of Panchayati Raj reiterated their commitment to address itself the resolutions of the Kolkata Round Table with all deliberate speed and resolved to accord priority to the specific following steps:

i. Internal discussions with State departments will be expedited so as to finalise the consensus on Activity Mapping within the State. The Union Ministry of Panchayati Raj will be informed of the time line for completing this work.

ii. With respect to those areas where there is a general consensus as to the devolution of functions and activities to all levels of Panchayats, States will expedite the issuing of necessary orders to operationalise the same. Copies of Government orders/ Gazette Notifications will be intimated to Ministry of Panchayati Raj.

iii. It is desirable for States to fix milestones in Activity Mapping, and take preparatory steps through dissemination of draft frameworks prepared to the Panchayats, so that they are in a state of preparedness to assume their new responsibilities. The Union Ministry of Panchayati Raj may be kept informed of steps being taken in this direction.

iv. Training programmes for Panchayat members should include special sessions on the scope and implications of Activity Mapping, particularly with reference to their roles in planning and implementation. The Union Ministry of Panchayati Raj will extent financial and technological assistance, if asked.

v. Particular emphasis will be given to training and orientation of officials of various line departments, so that they better understand their role in the changed context of devolution of activities to Panchayats and are better equipped to assume a facilitatory role. The Union Ministry of Panchayati Raj will extent financial and technological assistance, if asked.

vi. For effectively performing the functions devolved to them through Activity Mapping, the Panchayats would need a matching transfer of funds in respect of the devolved functions. This will require the entrustment of all schemes pertaining to the activities devolved upon Panchayats to the respective levels through the creation of a Panchayat Sector in the State Budget, The State Ministers undertake to take steps in this direction, so as to meet the deadline agreed upon in the Kolkata Round Table to

operationalise the transfer of schemes to Panchayats in the budget of 2006-07. The Union Ministry of Panchayat Raj will take into account progress in this regard in the administration of the Panchayat Empowerment Incentive Fund after this is established.

vii. For Panchayats to effectively plan and implement the functions that have been devolved upon them it is necessary that funds pertaining to these schemes are transferred to them without delay or diversion. As part of this process, States need to put in place systems that are capable of tracking transfers of funds to panchayats, both through Banks and treasuries. This would particularly ensure tagging and tracking of releases and expenditure of 12th Finance Commission Grants. To this end, Union Ministry of Panchayati Raj will work in close association with the Government, to put in place the required hardware and software.

viii. States will furnish Union Ministry of Panchayati Raj, details of Activities devolved to Panchayats so as to build a national database in this regard, which would also be of considerable use in devising policies and schemes at the Central level.

The challenges in sustaining the pace of reform will require effective support and close coordination with the Central Government. The Ministry of Panchayati Raj would continue to support and coordinate activity mapping and take the specific following steps:

i. The Ministry of Panchayati Raj will pursue the devolution of Central funds through untied block grants, and systemic reform of Centrally-Sponsored Schemes, including the establishment of a Panchayat Empowerment Incentive Fund to bring these in conformity with the constitutional provisions for good governance at the district and sub-district levels as set out in Part IX read with the relevant articles of Part IXA.

ii. The Ministry of Panchayati Raj agrees to support initiatives in computerization and e-governance of Panchayats in Uttaranchal as part of the National e-Governance Plan.

iii. The Ministry of Panchayati Raj will continue to provide technical support, wherever necessary, for Activity Mapping. In addition,

the Ministry would also provide support for the preparation of material for training programmes that would necessarily follow Activity Mapping in States.

iv. Fact sheets furnished by States on Activity mapping and details of innovations and best practices will be disseminated on the National Panchayat Portal.

DG Hydrocarbons in ONGC Board

1470. SHRI RAJKUMAR DHOOT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that ONGC has not agreed to have the Director General of Hydrocarbons on its Board;

(b) if so, the details thereof and the reasons therefor; and

(c) the final decision taken in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) Director General of Hydrocarbons (DGH), who provides technical and regulatory assistance to the Government on upstream matters, was nominated by the Government as a Director on the Board of Directors of ONGC. However, ONGC objected to the nomination of the DGH on the ground of conflict of interest associated with DGH's functions relating to upstream companies. After considering all relevant factors, and in consultation with the Ministry of Law and Justice, the nomination of DGH to the Board of Directors of ONGC was withdrawn.

Private participation in strategic storage of Oil and Gas

1471. SHRIMATI N.R DURGA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there is any plan before Government to create strategic storage capacity for oil and gas;

(b) if so, what is the expected investment required;

(c) whether Government have any plan to take the help of private people; and

(d) if so, the details thereof?